

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 00375 312246Z

67

ACTION EUR-12

INFO OCT-01 ISO-00 AEC-07 AID-05 CEA-01 CIAE-00 CIEP-02

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01 OES-05

SP-02 SS-15 STR-04 TRSE-00 FRB-01 FEA-01 PA-02

USIA-15 PRS-01 /109 W

----- 118448

P R 312204Z JAN 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 5538

INFO AMCONSUL CALGARY

AMCONSUL TORONTO

UNCLAS OTTAWA 0375

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: ENERGY: SYNCRUDE PROJECT

REF: OTTAWA 195

1. WHILE EMBASSY UNABLE VERIFY DETAILS IN FAST-BREAKING SYNCRUDE PROJECT DEVELOPMENTS, OTTAWA JOURNAL REPORT OF JANUARY 31 IS BELIEVED TO BE ACCURATE IN ALL IMPORTANT RESPECTS, AS FOLLOWS:

A. GOC IS PREPARED TO INVEST \$200 MILLION AND "IF THE CONDITIONS WERE RIGHT" UP TO \$500 MILLION, REPRESENTING ONE-HALF OF THE ONE BILLION DOLLARS SYNCRUDE HAS INSISTED MUST BE COMMITTED BY NEW PROSPECTIVE PARTNERS IN THE PROJECT BY ITS SELF-IMPOSED DEADLINE OF JANUARY 31.

B. GOC HAS ALSO ASSURED SYNCRUDE THAT THE SYNTHETIC CRUDE PRODUCTION FROM ITS PROJECT COULD BE SOLD AT "INTER-NATIONALLY RELATED PRICES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 00375 312246Z

C. ABOVE TWO GOC PROPOSALS DEPEND ON OTHER GOVERNMENTS (PRINCIPALLY ALBERTA AND ONTARIO) AND OTHER PRIVATE OIL INTERESTS AGREEING TO THROW IN ENOUGH ADDITIONAL MONEY TO MEET SYNCRUDE'S BILLION DOLLAR REQUIREMENT.

D. ENERGY MINISTER MACDONALD SAID THE AGREEMENT ON "INTERNATIONALLY-RELATED" PRICES IS DESIGNED TO ENCOURAGE PRIVATE COMPANIES (SHELL OIL CANADA AND ONE OTHER UNIDENTIFIED FIRM) TO INVEST IN AND SAVE THE PROJECT.

E. WHILE SYNCRUDE APPARENTLY TURNED DOWN FEDERAL AND PROVINCIAL REQUESTS FOR A MORATORIUM ON THE JANUARY 31 DEADLINE, IT IS BELIEVED THAT THE DEADLINE WILL NOT POSE SIGNIFICANT PROBLEMS AS LONG AS THERE ARE STRONG INDICATIONS OF PROGRESS IN FINDING A SOLUTION FOR SYNCRUDE'S SEVERE FINANCIAL PROBLEMS.
PORTER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, PROGRAMS (PROJECTS), FOREIGN INVESTMENTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OTTAWA00375
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750037-0231
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975013/aaaaabsy.tel
Line Count: 80
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 OTTAWA 195
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 19 NOV 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 NOV 2003 by MaustMC>; APPROVED <31 DEC 2003 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: SYNCRUDE PROJECT
TAGS: ENRG, CA, SYNCRUDE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006